Non-completion of projects

†330. SHRI JANESHWAR MISHRA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that all the projects are affected by cost overrun day by day due to non-completion in time;

(b) if so, the details thereof;

(c) whether it is also a fact that a number of projects are facing problems due to not having any long term Government policy; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (SHRI VIJAY GOEL): (a) and (b) As on 1.7.2002, 541 projects costing Rs. 20 crore and above are on the monitor of Ministry of Statistics & Programme Implementation. Out of these, 85 projects are ahead of schedule, 148 projects are on schedule, 81 projects do not have any definite date of commissioning, 56 projects do not have a firm completion date and 171 projects are running behind with respect to their original approved schedule. The cost of 171 delayed projects has increased from Rs. 50,119 crore to Rs. 78,685.5 crore.

(c) and (d) A separate Ministry was constituted in 1985 to monitor important central sector projects. As a result of effective monitoring, facilitation measures taken and system improvements brought about by the Government, the cost

†Original notice of the question was received in Hindi.

improvements brought about by the Government, the cost overrun of projects with reference to the originally approved cost has come down from 62% in March 1991 to 23.6% in June 2002. The cost overrun with respect to latest approved cost is only 10.6%. The incidence of time overrun has also registered a significant reduction. The remedial measures taken for timely completion of projects and minimisation of cost overrun include:

(i) review of projects on monthly as well as quarterly basis by the Government to identify the constraints and to resolve the problems affecting the implementation of projects;

(ii) indepth critical review of the progress by the project authorities and the Administrative Ministries and follow up with the State Governments, equipment manufacturers, contractors, consultants and other agencies concerned to minimise delays;

(iii) coordination for resolving problems of inter-ministerial nature;

(iv) appointment of a nodal officer for each project co-terminous with the duration of the project;

(v) setting up of an Empowered Committee in the administrative ministries concerned for resolution of problems;

(vi) yearly updating project costs to tie up fund requirements; and

(vii) providing matching funds for expeditious completion of projects in advanced stages of implementation.